

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7834

BILL NUMBER: HB 1668

NOTE PREPARED: Jan 25, 2007

BILL AMENDED:

SUBJECT: Teacher performance and peer assistance programs.

FIRST AUTHOR: Rep. Behning

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *Career Ladder:* This bill requires school corporations develop a program that includes: (1) periodic evaluation of teachers using a performance rating system; and (2) a career ladder for teachers. The bill requires the Department of Education to develop and conduct a pilot to study the feasibility of applying the periodic evaluation of teachers using a performance rating system and a career ladder for teachers

Peer Assistance: The bill provides for the development of peer assistance and professional development programs for teachers.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *Career Ladder:* The Department of Education is develop and conduct a pilot to study the feasibility of applying the periodic evaluation of teachers using a performance rating system and a career ladder for teachers. The Department is to choose schools that are located in different regions of Indiana and serve urban, suburban, an rural populations. An annual report is required to be submitted to the Educational Roundtable and the State Board of Education. The cost of the study would depend on how the study was designed and if the study was done by department personnel or contracted to an outside vendor. For FY 2007 the Department had \$387,349 appropriated for research and development programs.

Peer Assistance: The bill provides a collaborative professional development grant program for local schools. The program allows teams from 5 - 10 teachers to develop innovative projects to improve student achievement within the teachers' school. The team can apply to the Department of Education for a grant of

up to \$5,000 to implement the project. Projects evaluated as successful if they achieve 1 of the following criteria:

- Student assessment results for students in project are significantly above 1 year's academic growth; or
- Students assessment results for students in project averaging at 1 year's academic growth and achievement of 1 or more data driven student achievement goals detailed in the proposal.

The Department of Education would provided a grant of \$3,500 to each team member of a successfully implemented project. The impact would depend on the number of projects submitted and approved by the Department of Education. The Department's approval would depend on the quality of the proposals and the appropriation for the grants. This bill does not contain an appropriation for the grants

Explanation of State Revenues:

Explanation of Local Expenditures: *Career Ladder:* The bill creates a career ladder for teachers. The ladder consists of four levels:

- **Apprentice Teacher:** An apprentice teacher is a certified employee with and initial standard teaching license. They receive at least 3 observations per year and must be evaluated at least once per year. An apprentice who fails to advance to career teacher within 5 years is dismissed by the school.
- **Career Teacher:** A career teacher is an certified employee with 3 or more years of experience, holds a master's degree, received an achievement rating of proficient or above, and professional practice rating of proficient or above as an apprentice teacher on their last evaluation. A career teacher is subject to a performance review at least once every 3 years with at least 3 observations per year. A teacher that is evaluated below proficient must be evaluated again the following year. The base salary for a career teacher has to be at least 30% higher than highest salary for a teacher at the apprentice teacher level.
- **Advance Career Teacher:** An advanced career teacher is a certified employee with at least 2 years experience as a career teacher, who received an achievement rating of advanced and a professional practice rating of distinguished on their last evaluation. An advanced career teacher is subject to performance reviews at least once every five years, but may have a performance review every 2 years. The base salary for an advanced career teacher has to be at least 15% higher than the highest salary for a teacher at the career teacher level.
- **Distinguished Career Teacher:** A distinguished career teacher is a certified employee with at least 2 years of experience as a career teacher, who has been certified by the National Board of Professional Teaching Standards, received an achievement rating of advanced, and a professional practice rating of distinguished. An distinguished career teacher is subject to performance reviews at least once every five year, or may have a performance review every 2 years. The base salary of a distinguished career teacher has to be at least \$5,000 or 10% greater than the highest salary for the advanced career teacher.

A certified employee may opt to not participate in the career ladder system, but their service increments are limited to a maximum of 10 service increments.

Evaluations of teachers must be based on the following criteria:

1. 50% upon the empirical student achievement goals developed by the teacher and the teacher's supervisor. The performance is rated as advanced, proficient, or unsatisfactory.
2. 50% upon a professional practice rating scale developed by the Department of Education that is

behaviorally anchored and based upon clearly defined research based professional standards. The performance is rated as distinguished, proficient, basic, or unsatisfactory.

The following shows the number of certified employees with less than 23 years of experience.

Number of Employees By Years of Service							
Exp	No. of Emp	Exp	No. of Emp	Exp	No. of Emp	Exp	No. of Emp
0	2,637	6	2,833	12	1,768	18	1,710
1	3,131	7	2,441	13	1,693	19	1,735
2	2,801	8	2,356	14	1,432	20	1,778
3	2,783	9	2,308	15	1,628	21	1,666
4	2,714	10	2,148	16	1,520	22	1,415
5	2,830	11	2,034	17	1,499	23	1,406

The impact would depend on the number of certified employees choosing to stay in the career ladder system, the salary career ladder salary schedule that would be collectively bargained, and the cost of developing and administering the evaluations. About 22,000 evaluations would have to be administered annually. The cost to develop and administer the evaluations is unknown and could vary for school corporation to school corporation. As an example, if the average evaluation cost \$400 to administer then the administrative costs would be about \$8.8M statewide.

Peer Assistance: The bill requires apprentice teachers to receive mentoring and peer assistance from a career teacher, advanced career teacher, or distinguished teacher and the building principal for at least 2 years and not more than 3 years. The bill also requires a teacher to receive peer assistance and review if the teacher meets 1 of the following criteria:

1. The teacher's achievement rating is unsatisfactory for 2 consecutive rating periods.
2. The teacher's professional practice rating is unsatisfactory or basic for two consecutive rating periods.
3. The teacher makes a self-referral in writing.

A career teacher can be a mentor and an advanced career teacher or a distinguished career teacher can be either a mentor or a peer assistant. A mentor and peer assistant have to be released from at least 50% of their teaching responsibilities when being a mentor or peer assistant. Each apprentice teacher, about 8,500 teachers, and 10% of the other teachers might need peer assistance then about 14,800 teachers would require a mentor or peer assistance. If one teacher could provide mentoring or peer assistance to two teachers about 3,700 additional teachers would be needed. If the new teachers were paid about \$40,000 with fringes the fiscal impact would be about \$148 M annually.

Explanation of Local Revenues:

State Agencies Affected: Department of Education.

Local Agencies Affected: Local School.

Information Sources: Department of Education Databases.

Fiscal Analyst: Chuck Mayfield, 317-232-4825.